

# **District Court Funds of District No. 20 Dearborn Heights, Michigan**

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**Financial Report  
with Additional Information  
June 30, 2003**

# **District Court Funds of District No. 20 Dearborn Heights, Michigan**

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## Independent Auditor's Report

Honorable District Judges  
Leo K. Foran and  
Mark J. Plawecki  
District Court No. 20  
Dearborn Heights, Michigan

We have audited the balance sheet of the District Court Funds of District No. 20, Dearborn Heights, Michigan as of June 30, 2003. This financial statement is the responsibility of District Court No. 20, Dearborn Heights, Michigan's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of the District Court Funds of District No. 20, Dearborn Heights, Michigan as of June 30, 2003, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statement. The accompanying supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis, and is not a required part of the basic financial statement. The supplemental information has been subject to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, is fairly stated in all material respects in relation to the basic financial statement taken as a whole.

The accompanying financial statement does not present a management's discussion and analysis, which would be an analysis of the financial performance for the year. The Governmental Accounting Standards Board has determined that this analysis is necessary to supplement, although not required to be part of, the basic financial statement.

*Plante & Moran, PLLC*

October 7, 2003

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# District Court Funds of District No. 20

## Dearborn Heights, Michigan

### Balance Sheet June 30, 2003

	Depository Accounts	Bond Account
<b>Assets - Cash in bank (Note 2)</b>	<b><u>\$ 344,810</u></b>	<b><u>\$ 81,595</u></b>
<b>Liabilities</b>		
Due to:		
City of Dearborn Heights	\$ 231,251	\$ -
State of Michigan	88,588	-
Wayne County	670	-
Bond deposits	-	81,595
Clearance card deposits	3,380	-
Other	<u>20,921</u>	<u>-</u>
Total liabilities	<b><u>\$ 344,810</u></b>	<b><u>\$ 81,595</u></b>

# **District Court Funds of District No. 20 Dearborn Heights, Michigan**

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**Notes to Financial Statements  
June 30, 2003**

## **Note 1 - Significant Accounting Policies**

The funds of District Court No. 20, Dearborn Heights, Michigan (the "District Court") are trust and agency funds. The financial activities of the funds are limited to collection of amounts that are subsequently returned or paid to third parties. Accordingly, the operations of the funds are limited to cash transactions.

## **Note 2 - Cash in Bank**

Cash reflected on the balance sheet at June 30, 2003 consists of deposits on hand at the bank totaling \$403,759. These deposits were reflected in the accounts of the bank (without recognition of deposits in transit and outstanding checks) at \$426,405. Of that amount, \$100,000 was covered by federal depository insurance.

## **Note 3 - Court Operations**

The costs relating to the operation of the District Court (including risk management) are a budgeted item of the City of Dearborn Heights, Michigan Corporate Fund and, accordingly, such costs are paid by the Corporate Fund.

The District Court is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The District Court has purchased commercial insurance for medical claims, and participates in the Michigan Municipal Risk Management Authority for claims relating to general and auto liability, auto physical damage, and property loss claims; the District Court is uninsured for workers' compensation claims within certain limits. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal Risk Management Authority (the "Authority") risk pool operates as a claims servicing pool for amounts up to member retention limits, and operates as a common risk-sharing management program for losses in excess of member retention amounts. Although premiums are paid annually to the Authority that the Authority uses to pay claims up to the retention limits, the ultimate liability for those claims remains with the District Court.

## **Additional Information**

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# District Court Funds of District No. 20

## Dearborn Heights, Michigan

### Schedule of Cash Receipts and Disbursements Year Ended June 30, 2003

	Depository Accounts	Bond Account
<b>Cash Balance - July 1, 2002</b>	\$ 314,711	\$ 99,034
<b>Receipts</b>		
Fines and fees	3,477,774	-
Bonds posted	-	565,488
Judgments	15,750	3,862
	<hr/>	<hr/>
Total receipts	3,493,524	569,350
<b>Disbursements</b>		
Transfers:		
District control unit	2,490,794	-
State of Michigan	847,127	-
County of Wayne	7,550	-
Bond refunds	-	582,927
Judges' retirement system	37,973	-
Refunds and other	17,061	-
Judgments	-	3,862
Clearance card fees	62,920	-
	<hr/>	<hr/>
Total disbursements	3,463,425	586,789
<b>Cash Balance - June 30, 2003</b>	<b><u>\$ 344,810</u></b>	<b><u>\$ 81,595</u></b>